



# ***SIX MONTH STATUS REPORT***

***October 1, 2016 – March 31, 2017***

**John A. Carey, Inspector General**

# OUTLINE

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- **OIG ACTIVITIES** (October 1, 2016 – March 31, 2017)
- **BUDGET, STAFFING, & PERSONNEL**
- **PLANS, OBJECTIVES, & INITIATIVES**
- **SUMMARY OF MAJOR ACCOMPLISHMENTS**



# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



**October 1, 2016 – March 31, 2017**

## **Office of Inspector General Activities Related to:**

- **Intake & Investigations**
- **Contract Oversight**
- **Audit**
- **Training & Outreach**

# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



**October 1, 2016 – March 31, 2017**

## **Intake and Investigations**

### **Highlights**



# INSPECTOR GENERAL'S SIX MONTH REPORT



## Intake Activities

Current 6 Months	
<b>279</b>	Number of calls to the Office & Hotline
<b>89</b>	Written Correspondences received of which:  <b>61%</b> were complaints of wrongdoing
<b>7</b>	Correspondences led to the initiation of <b>4</b> Investigations and <b>3</b> referred to OIG Contract Oversight
<b>17</b>	Public Records Requests

Compared to Historic Averages	
<b>442</b>	Number of calls to the Office & Hotline
<b>138</b>	Written Correspondences received of which:  <b>69%</b> were complaints of wrongdoing
<b>7</b>	Correspondences led to the initiation of investigations or were referred to OIG Contract Oversight or to OIG Audit
<b>24</b>	Public Records Requests

# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



## **Investigative Activities**

	<b>Current 6 Months</b>	<b>Previous 6 Months</b>
<b>On-going Investigations or Investigative Reviews</b>	<b>11</b>	<b>8</b>
<b>Cases Initiated by OIG – referred to PCU for Criminal Prosecution</b>	<b>1</b>	<b>1</b>
<b>Issued Reports</b>	<b>1</b>	<b>1</b>
<b>Recommendations Made/Accepted</b>	<b>5/5</b>	<b>5/3</b>
<b>Questioned Costs and Potential Cost Savings</b>	<b>\$32,180</b>	<b>\$3,205,611</b>



# INSPECTOR GENERAL'S SIX MONTH REPORT



## Investigation #2017-0004 Palm Beach County Public Safety Department Theft

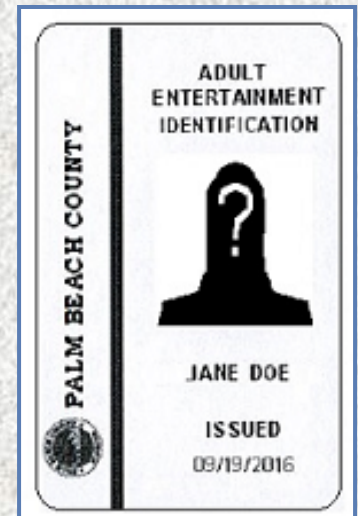
- An Administrative Assistant diverted County funds for her own use by providing inaccurate documentation reflecting fees collected for Adult Entertainment Identification Cards and Victim Services donations/payments.

The allegations were supported.

All 5 recommendations were accepted and changes were made by the County during the course of our investigation.

Identified &  
Questioned Costs  
**\$32,180**

The County employee resigned during the course of our investigation.



# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



**October 1, 2016 – March 31, 2017**

## **Contract Oversight**

### **Highlights**



# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



## **Contract Oversight**

**PREVENTION:** To reduce the appearance of, and opportunity for, vendor favoritism and inspire public confidence that contracts are being awarded equitably and economically, Contract Oversight staff routinely attend selection committee meetings and perform contract oversight activities.

- **Current Number of Contracts Monitored: 121**
- **Current Contract Value Monitored: \$267.2M**
- **Number of Procurement Meetings Attended: 61**

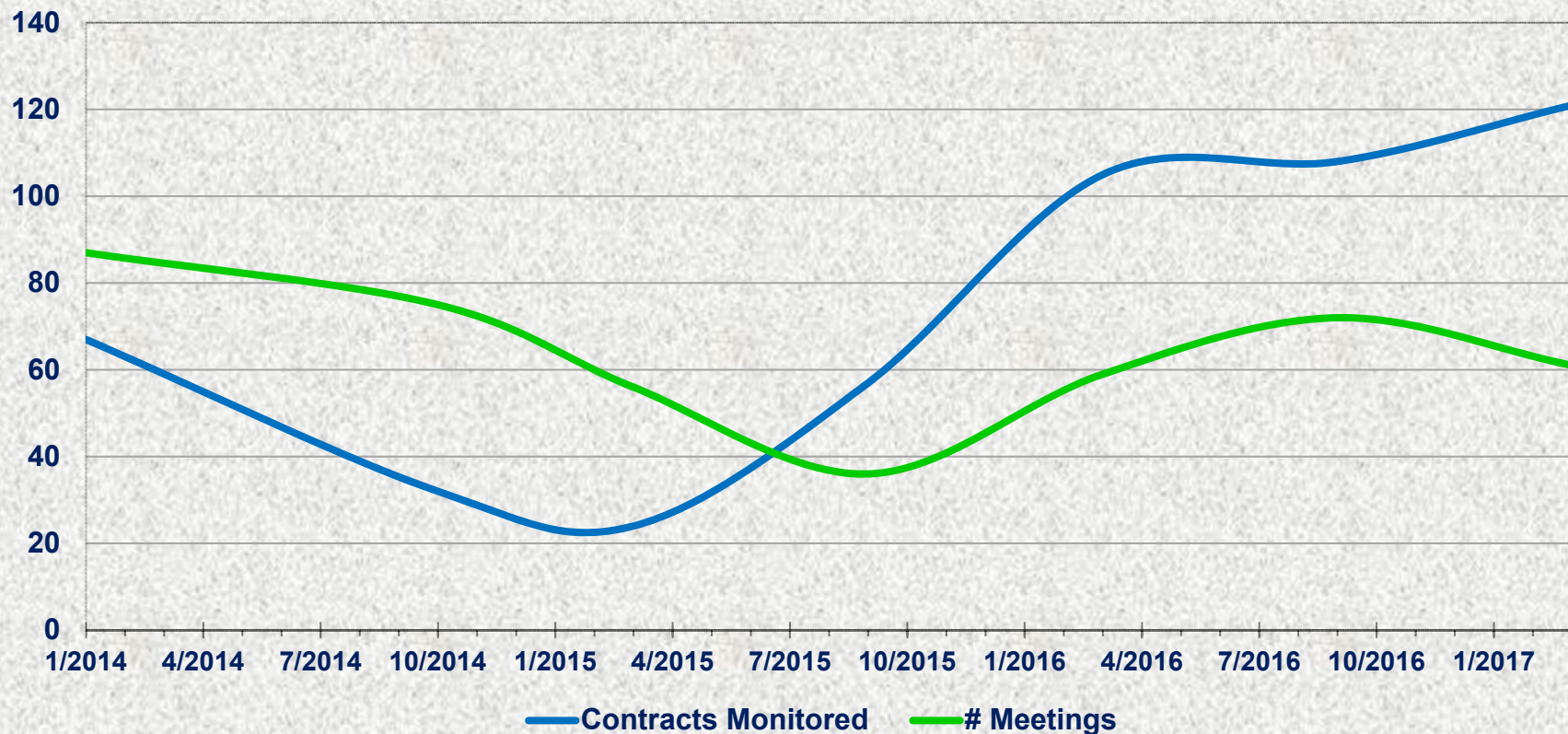
# INSPECTOR GENERAL'S SIX MONTH REPORT



## Contract Oversight

### Contract Monitoring Summary

January 2014 - March 2017





# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



**October 1, 2016 – March 31, 2017**

## **Contract Oversight**

**Current 6  
Months**

**Previous 6  
Months**

<b>Issued Reports</b>	<b>2</b>	<b>3</b>
<b>Recommendations Made</b>	<b>3</b>	<b>7</b>
<b>Recommendations Accepted</b>	<b>3</b>	<b>7</b>
<b>Questioned Costs and Potential Cost Savings</b>	<b>\$595,000</b>	<b>\$115,678</b>

# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



## **Contract Oversight Report CA-2015-0076 City of Lake Worth Municipality Contract Monitoring Follow Up**

### **FINDINGS:**

1. The City did not have a documented policy or procedure for contract monitoring.
2. The City did not have a policy or procedure about the manner in which contract files are maintained.
3. There is no citywide contract risk assessment tool being used. Therefore staff resources available for contract monitoring are not focused in the most efficient and effective manner.



### **RECOMMENDATIONS:**

1. Implement a citywide contract monitoring policy/procedure and provide staff training.
2. Address in a policy or procedure a uniform method by which contract files are maintained.
3. Develop and implement a contract monitoring risk assessment tool.

**Questioned  
Costs  
\$595,000**



# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



## **Contract Oversight Report CA-2017-0030 Municipality Insurance Survey**

### **OUTCOME:**

- The insurance procurement methods used by municipalities appear to comply with Section 112.98 Florida Statutes.
- Observed that municipalities varied widely in the types of insurance they provide for employees.

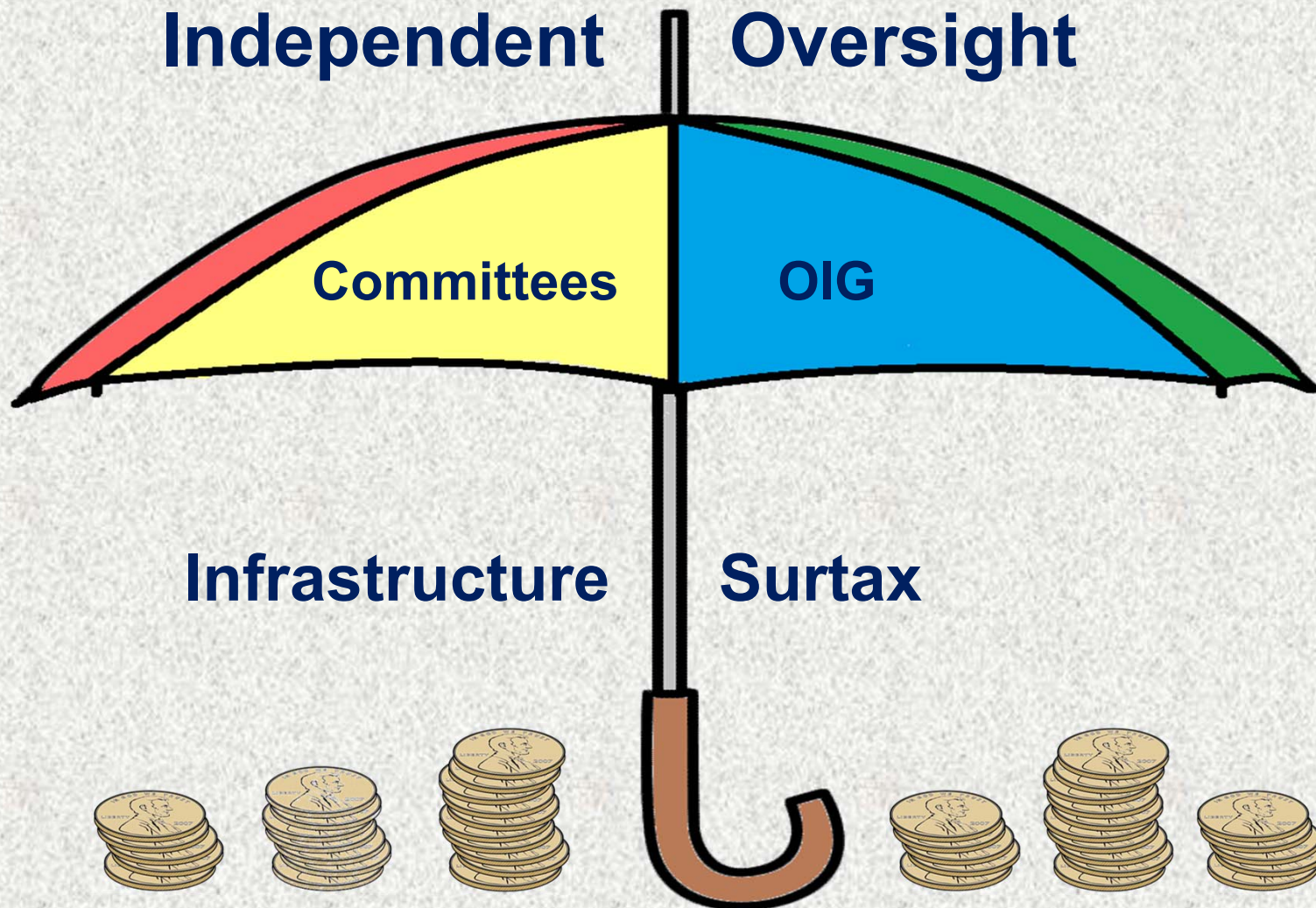


### **SUGGESTIONS:**

1. Municipalities review the requirements of Section 112.08 with Legal Counsel and/or Insurance Professional to insure its compliance with the law.
2. Municipalities benchmark with other municipalities listed in the survey to provide the most efficient and effective group insurance benefits to employees.



# ***INSPECTOR GENERAL'S SIX MONTH REPORT***





# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



## **One-Percent Sales Surtax Ordinance No. 2016-032**

### **Overview**

- **1% Sales Surtax: January 1, 2017 – December 31, 2026 or a maximum revenue of \$2.7B**
- **Revenue share:**
  - **Schools – \$1.35B, County – \$810M, Cities – \$540M**
- **535 County Projects identified @ \$689M**
- **1,089 Municipal Projects identified @ \$675M**
- **March 22, 2017 – 1<sup>st</sup> monthly revenue distribution from the Department Of Revenue:**
  - **County: \$5.9M, Municipalities: \$3.9M**



# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



## **One-Percent Sales Surtax Ordinance No. 2016-032**

### **Actions**

- **Contract Oversight Division is OIG lead in One-Percent Sales Surtax oversight.**
- **Observing Oversight Committee meetings.**
- **Monitoring county & cities project lists, ordinances, resolutions, agendas, and announcements. Building IG data library.**
- **Reviewing monthly surtax revenue distributions.**
- **Conducting additional training of OIG staff focusing on construction audits, investigations, and oversight activities.**





# ***INSPECTOR GENERAL'S SIX MONTH REPORT***

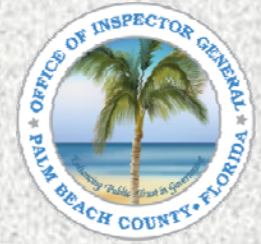


**October 1, 2016 – March 31, 2017**

## **Audit**

## **Highlights**

# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



**October 1, 2016 – March 31, 2017**

## **Audit Activities**

**Current 6  
Months**

**Previous 6  
Months**

<b>Issued Reports</b>	<b>2</b>	<b>2</b>
<b>Recommendations Made</b>	<b>17</b>	<b>45</b>
<b>Recommendations Accepted</b>	<b>17</b>	<b>44</b>
<b>Questioned Costs and Potential Cost Savings</b>	<b>\$0</b>	<b>\$419,794</b>



# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



## **Audit Report 2017-A-0001 – Solid Waste Authority of Palm Beach County Audit of Fuel and Maintenance**

**FINDINGS:** Some of SWA's internal controls need improvement; and made 13 recommendations.

**We identified deficiencies related to:**

- Not verifying gallons of fuel received;
- All fuel transaction data not being recorded;
- Sharing of user names and passwords;
- Lack of procedures for work orders; and,
- Credit card procedures lacked clear guidance.



**Corrective Actions:** Management concurred with all 13 recommendations, and as of March 7, 2017, has taken steps to implement 9 of them, including:

- Implemented written policies and procedures to enhance fuel management controls.
- Manually measuring fuel tanks before and after deliveries.
- Writing procedures for managing work orders.



# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



## **Audit Report 2017-A-0002 – Village of Tequesta Audit of Fuel and Vehicle Maintenance**

**FINDINGS:** Minor control weaknesses related to the Village's fuel and vehicle maintenance programs; and made four recommendations.

**We identified several areas that lacked consistency:**

- No written policies and procedures;
- Vendor proposals for maintenance and repair services contained inconsistent information;
- Fuel tank dipstick readings lacked pertinent information; and,
- Fuel transaction logs were not consistently maintained.



**Corrective Actions:** All four recommendations were accepted, and corrective actions have been proposed for each recommendation. The Village will:

- Provide uniform written information to each potential vendor;
- Standardize basic selection criteria;
- Create and utilize written policies, procedures, guidelines, and standard forms; and,
- Provide additional training to staff on use of new standardized forms.



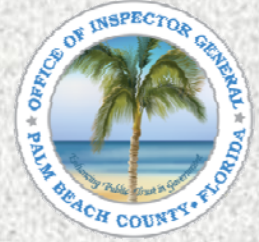
# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



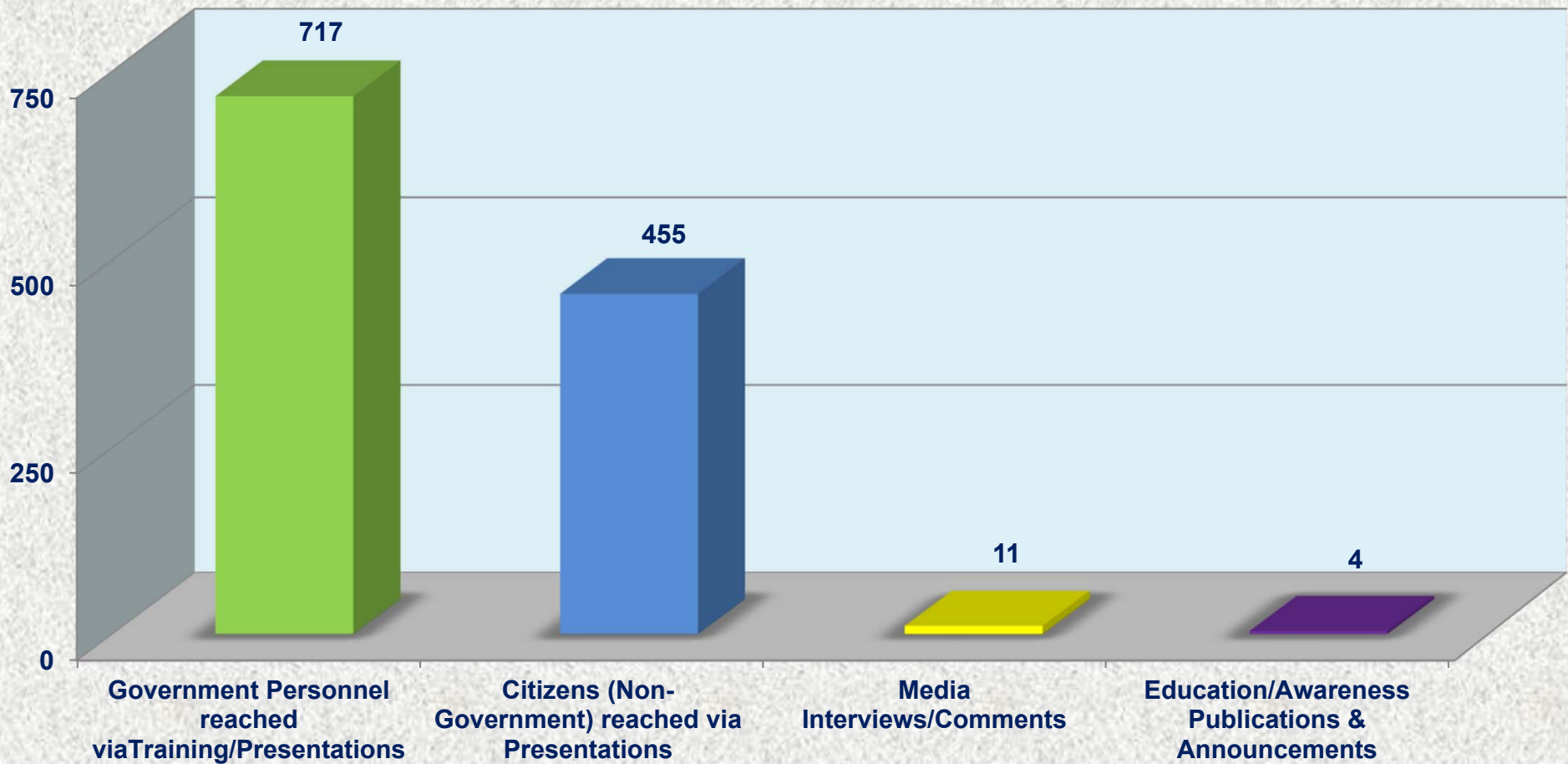
**October 1, 2016 – March 31, 2017**

## **Training and Outreach**

# TRAINING AND OUTREACH



*An ounce of outreach is worth a pound of enforcement.*





# ***INSPECTOR GENERAL OIG PERSONNEL***



## **OIG Personnel Training**

### **New Professional Certifications**

- 3 Certified IG Investigators
- 1 Certified IG Auditor



### **Office-Wide Training**



**SEMINAR ON  
“CONSTRUCTION AUDITING”  
March 31, 2017**



**WEBINAR ON  
“CONSTRUCTION AUDITING”  
April 4, 2017**



# INSPECTOR GENERAL OIG PERSONNEL



## OIG Professional Certifications and Licenses

- Certified Inspector General
- Certified IG Auditor
- Certified IG Investigator
- Certified Fraud Examiner
- Certified Internal Auditor
- Certified Government Financial Manager
- Certified Public Accountant
- Certified Government Auditing Professional
- Certification in Risk Management Assurance
- Certified Public Procurement Buyer
- Certified Computer Forensic Examiner
- Senior Professional in Human Resources
- Member of the Florida Bar





# ***INSPECTOR GENERAL OIG PERSONNEL***



## **OIG Team Building Day**

**What do spaghetti sticks, string, tape, and marshmallows teach?**





# ***INSPECTOR GENERAL OIG PERSONNEL***



## **OIG Team Building Day**

**What do spaghetti sticks, string, tape, and marshmallows teach?**



**Critical thinking skills, collaboration, trust,  
respect, teamwork**



# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



**October 1, 2016 – March 31, 2017**

## **Budget, Staffing, and Personnel**

# INSPECTOR GENERAL BUDGET & STAFFING



## OIG Budget & Staffing

- Annual Budget: **\$3.0M (FY17)**  
**\$3.5M (FY18)**
- Total Structure: **40**
- Current Funded Positions: **23**
- Current On-Hand Personnel: **20**

**\$1.74**  
≈

That's what the  
average person  
spends on 1 cup of  
coffee



## Compare with OIG Oversight Responsibilities

- County, Cities, SWA, and CSC  
Employees: **13,500 (+)**
- Combined Budgets: **\$8 Billion**
- **\$ Billions** in government  
contracting activity
- “Auditable Units” identified: **789**

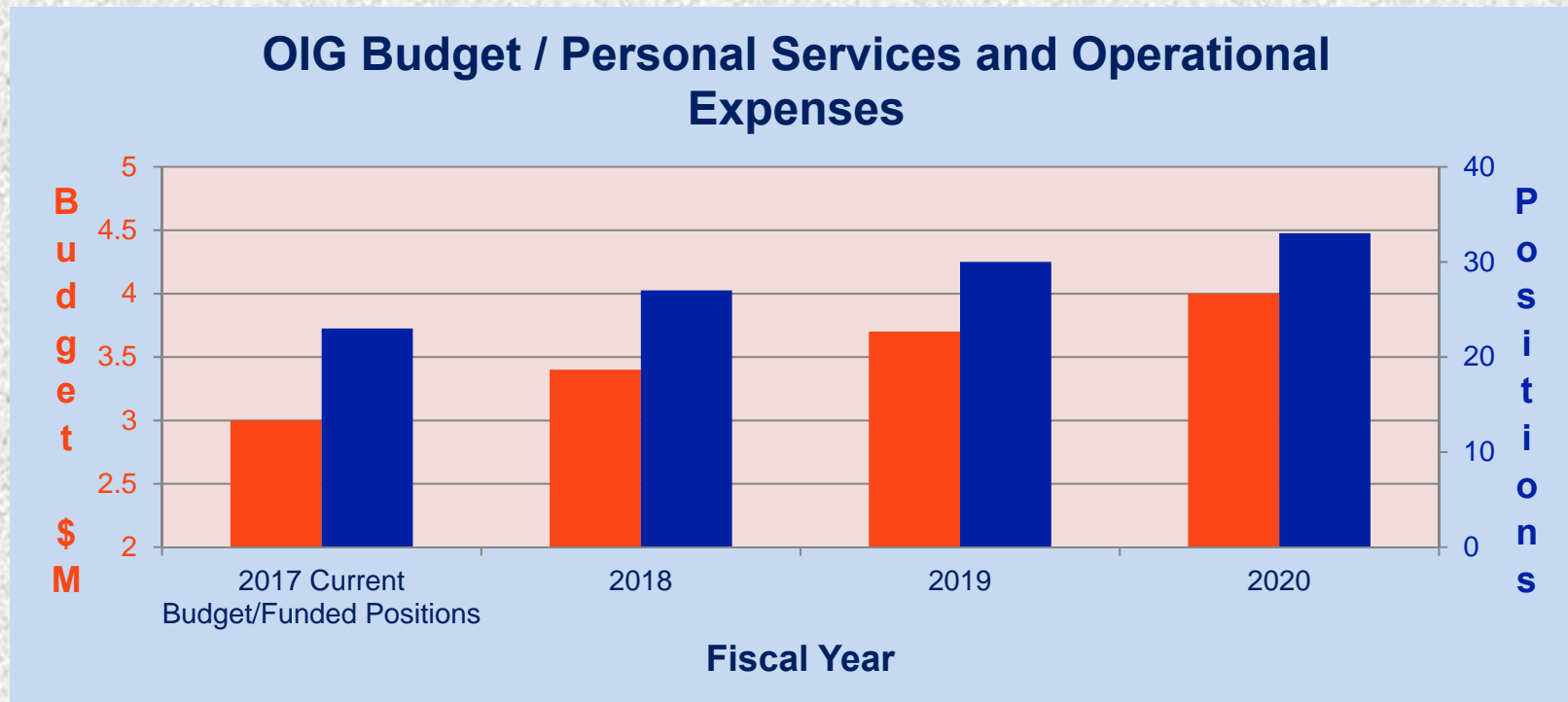


# INSPECTOR GENERAL BUDGET & STAFFING

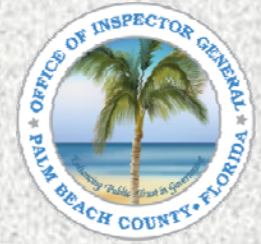


## OIG Proposal to Fund 10 of the 17 Unfunded Positions

We propose an incremental increase to the OIG staff from its current 23 positions (57% staffing level) to a total of 33 (82.5% staffing level) over a 3 year period.

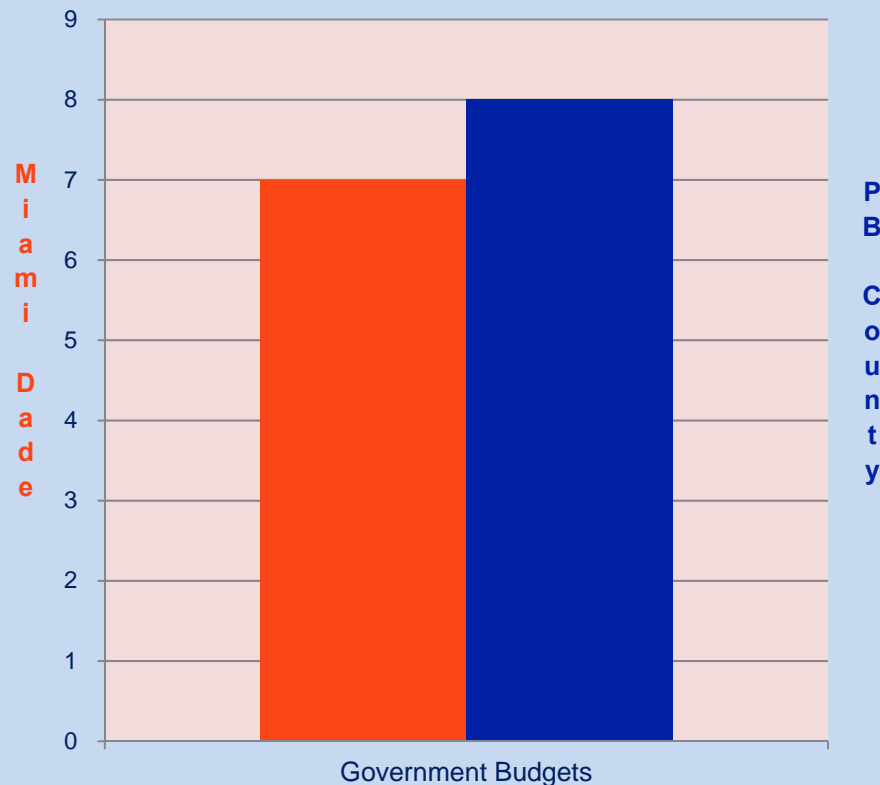


# INSPECTOR GENERAL BUDGET & STAFFING

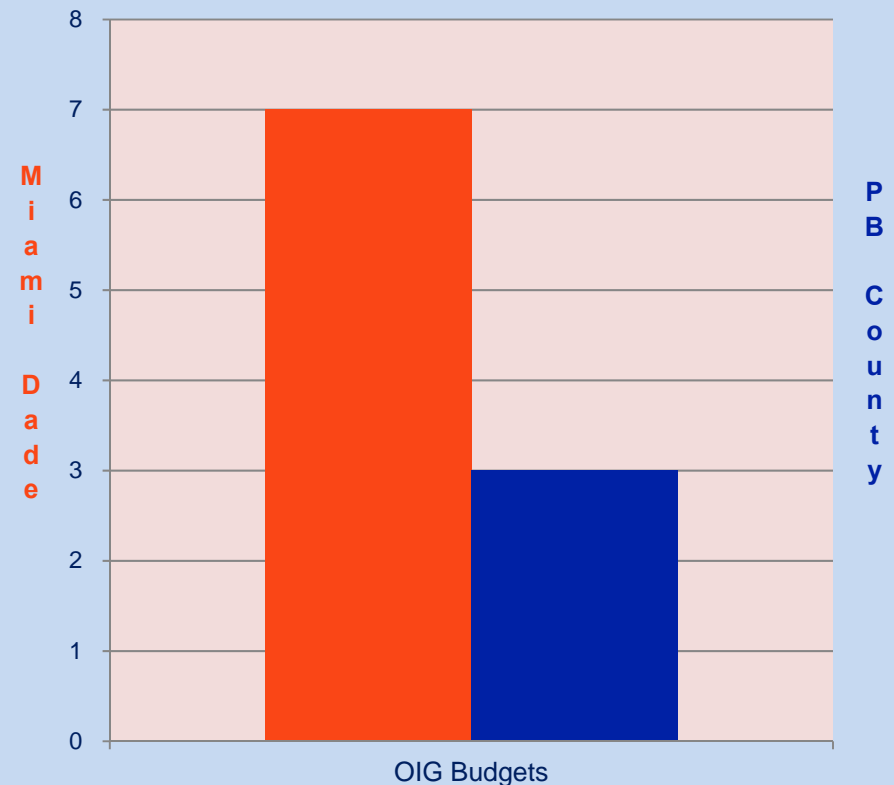


## Comparison between Miami-Dade OIG and PBC OIG

Comparison of Jurisdictional Budget Oversight  
(\$ Billions)



Comparison of OIGs' Operational Budgets  
(\$ Millions)



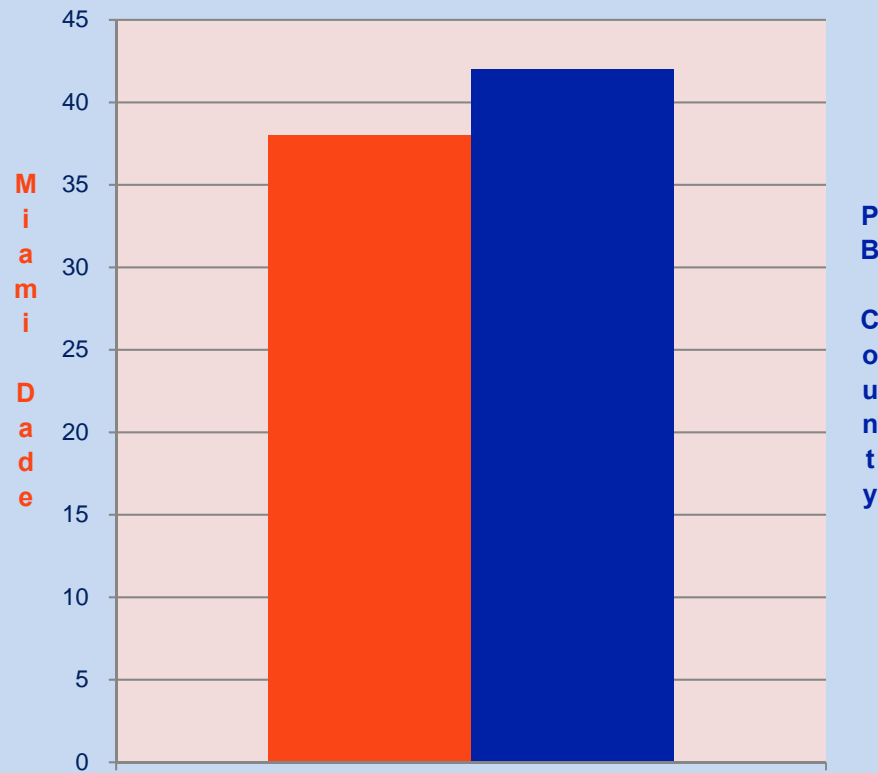


# INSPECTOR GENERAL BUDGET & STAFFING

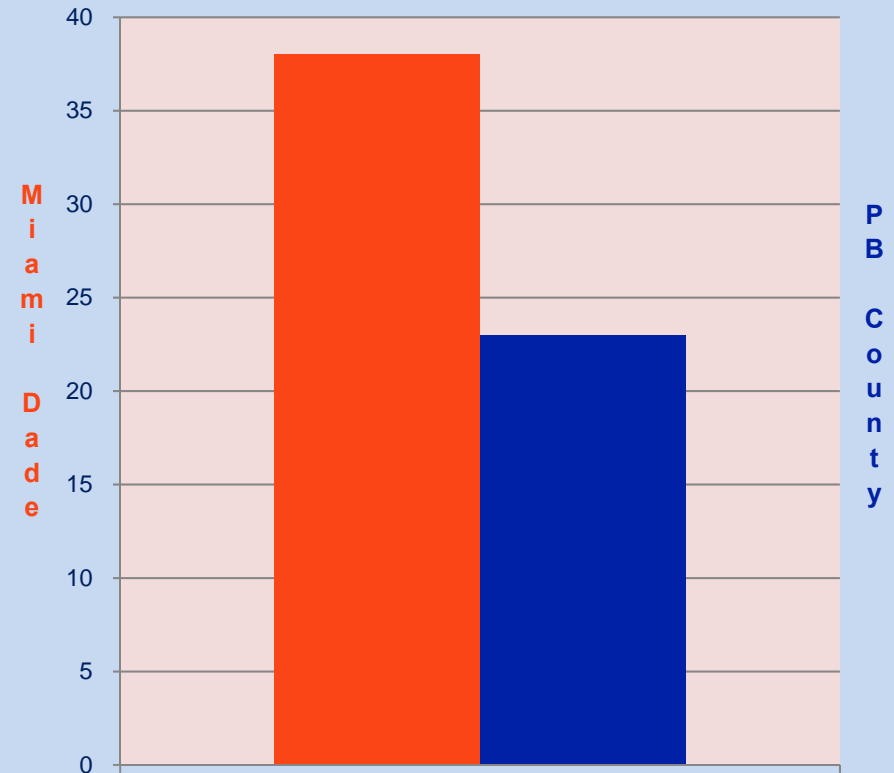


Comparison between Miami-Dade OIG and PBC OIG cont.

Comparison of OIGs' Span of Oversight  
(Jurisdictional Unit Oversight)



Comparison of OIGs' Authorized Staffing Levels



# ***OIG WORK COMPARISON***

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## **SUMMARY OF OIG WORK:**

### **PB COUNTY GOVERNMENT COMPARED TO MUNICIPALITIES**

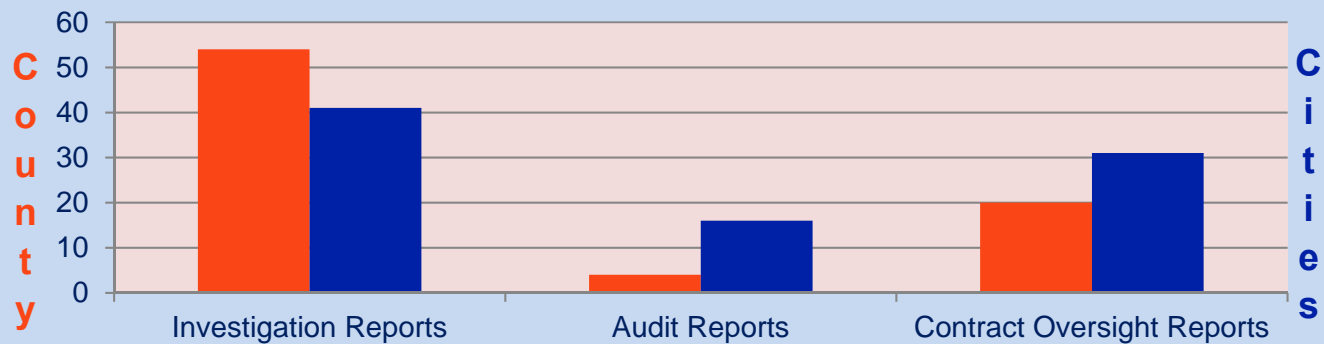


# OIG WORK COMPARISON

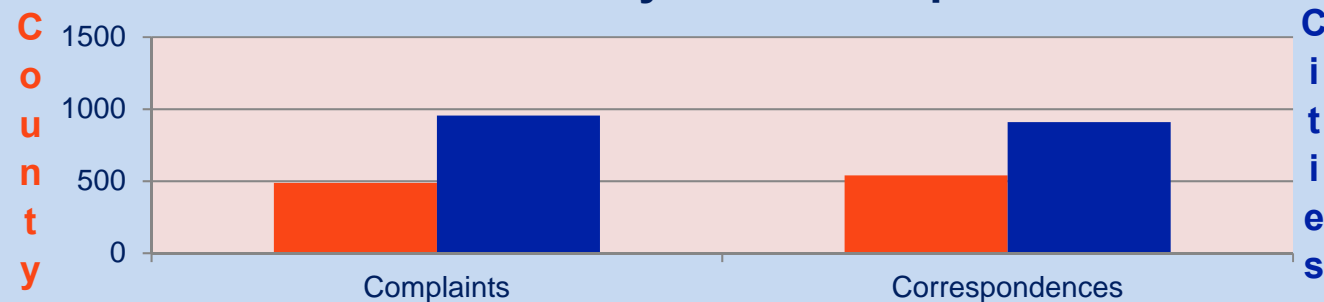


## Comparison between County and Municipalities

### OIG Reports to County and Municipalities



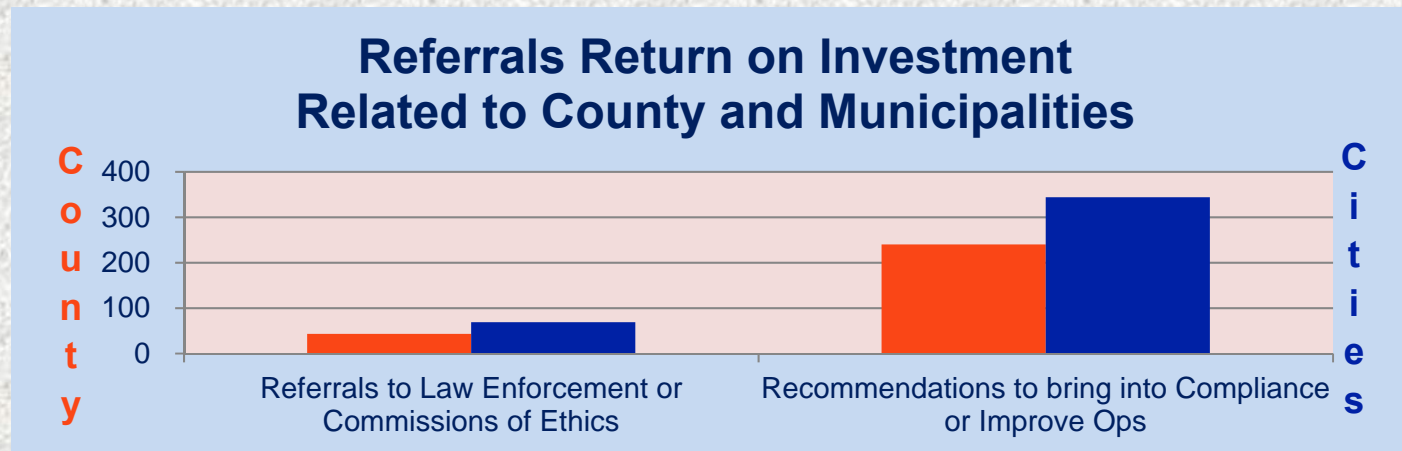
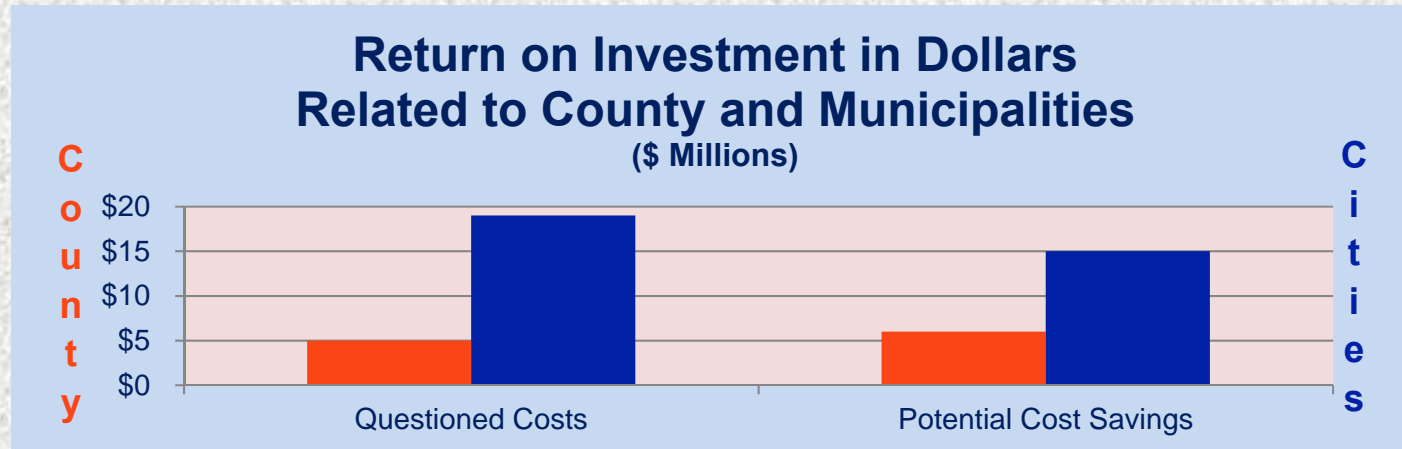
### Complaints and Correspondences Related to County and Municipalities



# OIG WORK COMPARISON



## Comparison between County and Municipalities cont.





# ***INSPECTOR GENERAL'S SIX MONTH REPORT***

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## **Plans, Objectives, and Initiatives**

# PLANS, OBJECTIVES, AND INITIATIVES



## Focusing OIG limited resources:

- **Audit:** Execute Audit Plan. Acquire cloud-based automated audit management software. Hire high quality auditors.
- **Investigations:** Investigate highest risk/impact cases. Prepare for FL State Re-accreditation.
- **Contract Oversight:** Focus on outreach and prevention. Leadership transition.
- **Outreach:** Continue rigorous training and outreach program.



John A. Carey  
Inspector General

OFFICE OF INSPECTOR GENERAL  
PALM BEACH COUNTY



Inspector General  
Accredited

*"Enhancing Public Trust in Government"*

**2017-AP-0001**

**Fiscal Year 2017**

**Annual Risk Assessment and  
Audit Plan**

**October 24, 2016**

Insight – Oversight – Foresight



# IMPACT BEYOND PALM BEACH COUNTY



- Board Member
- Professional Certification Board
- Training Committee
- 2019 National Conference to be held in PB County

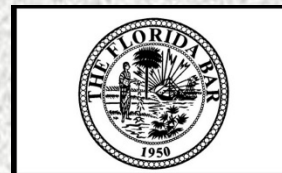
Florida Chapter Association of Inspectors General



Association of Government Accountants  
National Technical Committee for Internal Controls and Fraud



In-coming Vice President,  
PBC Chapter



Vice Chair, Law Related  
Education Committee  
Member, Ethics Committee

President,  
West Palm Beach Chapter



# ***INSPECTOR GENERAL'S SIX MONTH REPORT***

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## **SUMMARY OF MAJOR ACCOMPLISHMENTS TO DATE**



# ACCOMPLISHMENTS TO DATE



**\$24.7m**

**Questioned Costs** incurred pursuant to a potential violation of law, regulation, or policy; lack of adequate documentation; or, where the intended purpose is unnecessary or unreasonable.

**\$21.9m**

**Potential Cost Savings** identified for return to offset the taxpayers' burden or in the future if the OIG's recommendations are implemented.

**119**

**Cases Referred** to, or actions taken by, law enforcement, County, or State Commissions on Ethics.

**606**

**Recommendations/Corrective Actions** that the OIG recommends the entity take to improve operations, prevent fraud, waste and abuse, or address administrative misconduct.

Updated 4/17/2017

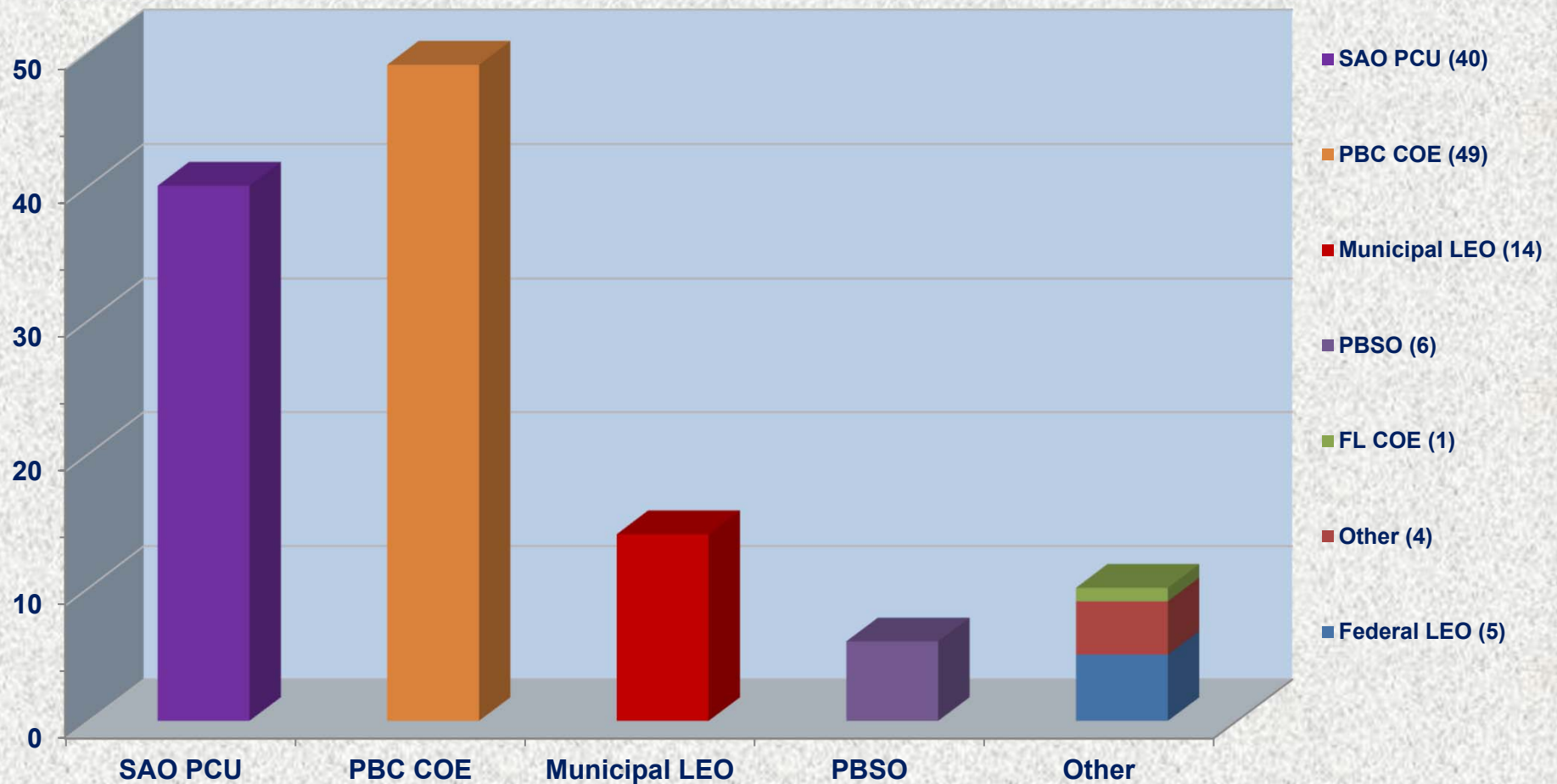
**OUTPUT: At the End of the Day, "Enhancing Public Trust in Government."**

# INSPECTOR GENERAL'S SIX MONTH REPORT



## Referrals Since Inception

### Agencies Where Cases Have Been Referred



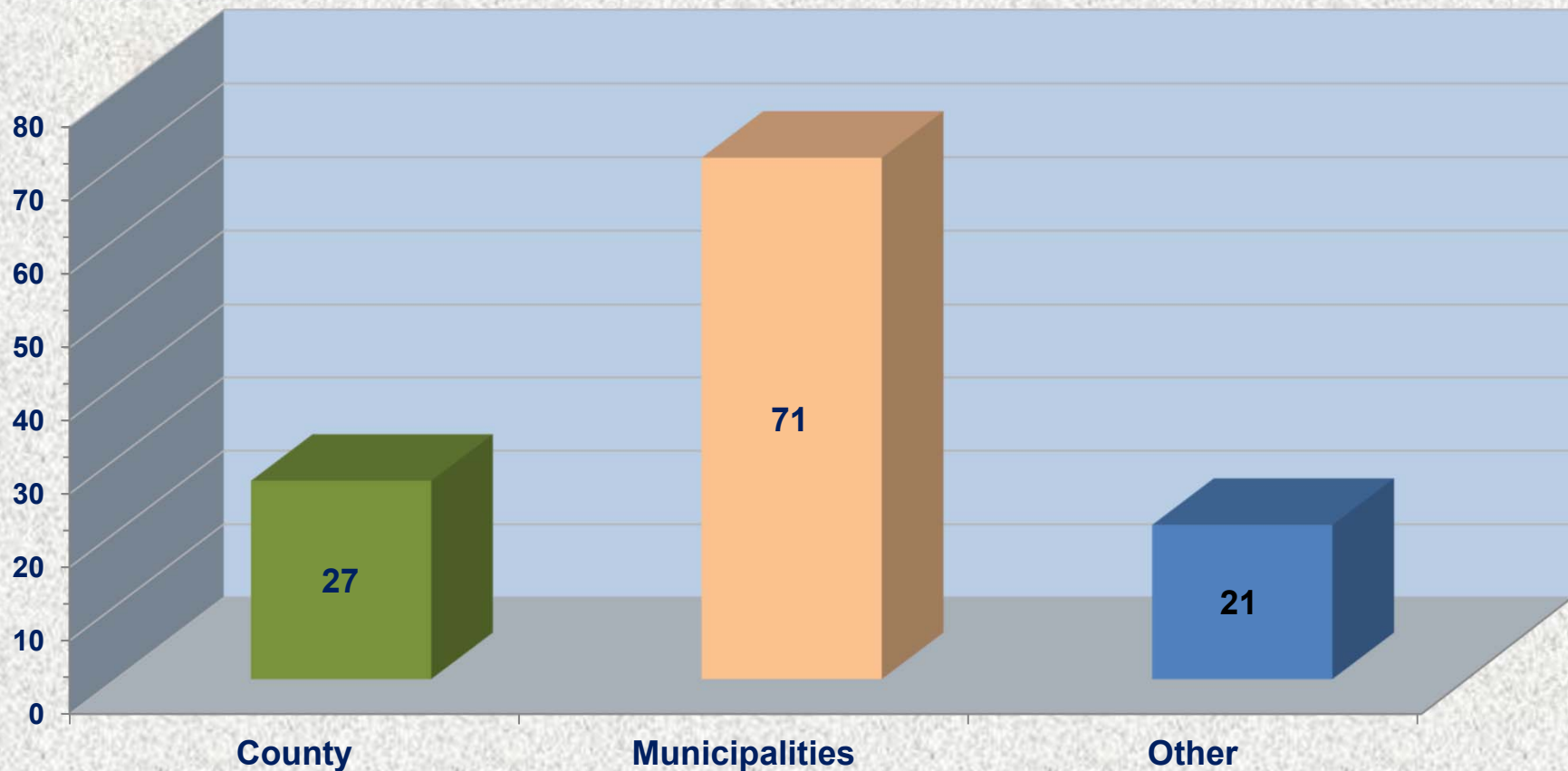


# ***INSPECTOR GENERAL'S SIX MONTH REPORT***

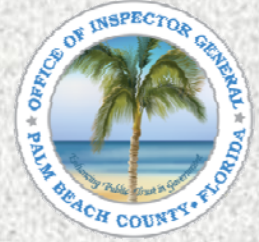


## **Referrals Since Inception**

### **Cases Referred to Law Enforcement, County or State Ethics Commissions**



# ACCOMPLISHMENTS TO DATE



## Making Government Better



**606**  
Recommendations

To improve government operations and to save taxpayer dollars.



**10,000 (+)**

Responses to citizens' calls and written correspondence voicing concerns, complaints, or requests for assistance.

**OUTPUT: At the End of the Day, "Enhancing Public Trust in Government."**





***THANK YOU!***

***visit us online at [www.pbcgov.com/OIG](http://www.pbcgov.com/OIG)***

